1960 No. 762

The Hire-Purchase and Credit Sale Agreements (Control) Order, 1960

Made - - - -	27*th April*, 1960
Laid before Parliament	28*th April*, 1960
Coming into Operation	29*th April*, 1960

The Board of Trade in pursuance of the powers conferred upon them by Regulation 55 of the Defence (General) Regulations, 1939, as having effect by virtue of the Emergency Laws (Repeal) Act, 1959(a), hereby order as follows:—

1.—(1) A person shall not dispose of any goods to which this Order applies in pursuance of a hire-purchase or credit sale agreement entered into after the 28th day of April, 1960, (hereinafter called " the said date "), unless the requirements specified in Part I of the Second Schedule hereto are or have been complied with in relation to that agreement.

(2) In any proceedings for an alleged contravention of the provisions of this Article, in which it is alleged that, by virtue of the provisions of Part II of the Second Schedule hereto, the requirement specified in paragraph 3 of Part I of that Schedule was not complied with, it shall, in respect of that allegation, be a defence if the defendant shall prove that at the time of the alleged offence—

(*a*) he had no reasonable cause to believe that money had been borrowed or otherwise acquired for the purpose and in the circumstances mentioned in the said Part II ; and

(*b*) he was not a party to any agreement or arrangement under or as a result of which money could be borrowed or otherwise acquired to enable persons to make payments of the description mentioned in the said paragraph 3.

2. A person shall not, by virtue of a hire-purchase or credit sale agreement entered into after the said date, be in possession of any goods to which this Order applies unless—

(*a*) that agreement complies with the requirements specified in paragraphs 1 and 2 of Part I of the Second Schedule hereto ; and

(*b*) a payment, complying at the date when the payment was made with the requirements specified in paragraph 3 of Part I of the Second Schedule hereto, was made by him before he entered into the first such agreement (entered into after the said date) under which he held those goods ; and

(*c*) that agreement provides for the payment of the balance due in respect of each description of goods comprised therein either—

(a) 7 & 8 Eliz. 2. c. 19.

(i) by approximately equal instalments at equal intervals spread over a period, commencing with the date of the first such agreement (whether entered into before, on or after the said date) under which he held those goods, not exceeding the period specified in column 3 of Part I of the First Schedule hereto in relation to that description of goods:

Provided that, where a hire-purchase or credit sale agreement has been varied by the lengthening or shortening of the period over which the balance due thereunder is payable, this sub-head shall be deemed to be complied with in respect of the remainder of that period if the balance remaining at the date of the variation is payable by approximately equal instalments at equal intervals spread over the remainder of that period, or

(ii) in the case of a hire-purchase agreement, by one payment to be made within the period of three months commencing with the date of the first such agreement (whether entered into before, on or after the said date) under which he held those goods.

3.—(1) A person shall not knowingly cause or permit any goods to which this Order applies, owned by him, to be in possession of another person by virtue of a hire-purchase agreement if the possession of those goods by that other person contravenes the provisions of Article 2 hereof.

(2) A person shall not knowingly cause or permit any goods to which this Order applies, owned by him immediately before he enters into a credit sale agreement, to be in possession of another person by virtue of any such agreement if the possession of those goods by that other person contravenes the provisions of Article 2 hereof.

4.—(1) A person shall not knowingly cause or permit another person to be in possession of any goods to which this Order applies in anticipation of the making of a hire-purchase or credit sale agreement in respect of those or other goods to which this Order applies unless, within 14 days of those goods being disposed of to that other person, that other person has made actual payment of an amount, calculated in respect of those goods in accordance with the provisions of paragraph (2) hereof, to the person who has disposed of the goods to him.

(2) The amount to be paid by a person by virtue of paragraph (1) hereof in respect of any goods shall be the percentage, specified in column 2 of Part I of the First Schedule hereto in relation to the description of goods to which those goods belong, of the price at which, at the date when the goods were disposed of to him, he could have purchased them for cash.

(3) The provisions of Part II of the Second Schedule shall, with the requisite modifications, apply for the purpose of determining whether this Article has been complied with as they apply for the purpose of determining whether the requirement specified in paragraph 3 of Part I of that Schedule has been complied with.

(4) Any payment made by virtue of this Article shall not be repaid in whole or in part unless and until the goods in respect of which the payment was made have been returned to the person to whom it was made.

5.—(1) A person shall not enter into any agreement whereby any hire-purchase or credit sale agreement entered into after the said date comprising goods to which this Order applies is varied in either or both of the following respects, that is to say,—

(*a*) any payment, made in accordance with the provisions of this Order before the agreement was entered into, is affected;

(*b*) the period over which the balance due thereunder is payable in respect of goods of any description is lengthened beyond the maximum period provided for in this Order for that description of goods.

(2) A person shall not enter into any agreement whereby a hire-purchase or credit sale agreement entered into whether before, on or after the said date is varied in such manner that that hire-purchase or credit sale agreement comprises after such variation goods to which this Order applies not comprised therein before such variation.

(3) A person shall not enter into any hire-purchase or credit sale agreement which is in substitution for another such agreement entered into whether before, on or after the said date and which—

(*a*) comprises all or some of the goods comprised in that other agreement; and

(*b*) comprises goods to which this Order applies but not comprised in that other agreement.

6. In relation to any hire-purchase or credit sale agreement in pursuance of which any goods to which this Order applies are disposed of to, or by virtue of which any such goods are in the possession of,—

(*a*) the spouse of a deceased person who at the date of his death was in possession of those goods under a hire-purchase or credit sale agreement, or

(*b*) a body corporate to whom possession of those goods has been transferred in the course of the assignment of a business to that body corporate by any person who was at the date of transfer in possession of those goods under a hire-purchase or credit sale agreement,—

this Order shall have effect as if—

(i) any payment made in accordance with the provisions of this Order in respect of those goods by the deceased or by the tranferor, as the case may be, had been made by that spouse or that body corporate respectively; and

(ii) the maximum period prescribed by this Order for the payment of the balance due in respect of those goods were the period specified in column 3 of Part I of the First Schedule in relation to goods of the appropriate description less the period commencing with the date of the making of the first agreement under which the deceased or the transferor as the case may be, was in possession of those goods, and terminating respectively with the date of death or transfer.

7.—(1) Nothing in this Order shall—

(*a*) apply in relation to a credit sale agreement under which the property in all the goods passes unconditionally to the buyer on or before delivery of the goods to him and which provides for the whole of the purchase price, or where part of that price is to be paid before the agreement is entered into, the balance, to be paid either by approximately equal instalments at equal intervals spread over a period of less than nine months commencing with the date of the agreement or by one payment to be made within the period of three months commencing with that date;

(*b*) prohibit the doing of anything under the authority of a licence granted by the Board of Trade under this Article and in accordance with any condition attached thereto;

(*c*) apply to the possession by a person of goods by virtue of a hire-purchase or credit sale agreement if those goods have been disposed of to him under the authority of a licence granted by the Board of Trade under this Article.

(2) In any proceedings for an alleged contravention, in relation to any agreement,—

(*a*) of the provisions of Article 1, 2 or 3 of this Order, it shall be a defence if the defendant shall prove that—

(i) the hirer had before the said date entered into a contract in writing to buy the goods the subject of the agreement ;

(ii) the contract to buy was valid and enforceable on the said date ;

(iii) the goods were to be manufactured to the special order of the hirer ; and

(iv) work on the goods in fulfilment of the contract to buy had been begun before the said date ;

(*b*) of the provisions of Article 1 or 3 of this Order, it shall be a defence if the defendant shall prove that at the date of the disposal by him of the goods the subject of the agreement he had made all reasonable enquiries and was satisfied that the goods—

(i) were to be exported ; and

(ii) would be situated outside the United Kingdom for a period of not less than twenty-four months ;

(*c*) of the provisions of any Article other than Article 1 or 3 of this Order, it shall be a defence if the defendant shall prove that the goods the subject of the agreement—

(i) were, at the time of the alleged contravention, to be exported ; or

(ii) had, before the time of the alleged contravention, been situated outside the United Kingdom for a period of not less than twenty-four months since the date of the agreement.

8.—(1) The goods to which this Order applies are—

(*a*) goods (whether new or secondhand) of any of the descriptions specified in items 1 to 22 inclusive in Part I of the First Schedule hereto not being goods of a description specified in Part II of that Schedule ;

(*b*) any other goods (including goods of any of the descriptions specified in Part II of the First Schedule) comprised in a hire purchase or credit sale agreement with goods to which this Order applies by virtue of sub-paragraph (*a*) of this paragraph.

(2) In this Order—

" cash price " means, in relation to any hire-purchase or credit sale agreement in respect of any goods, the price at which the prospective hirer or buyer may, at the date of the agreement, purchase or agree to purchase the goods for cash ;

" credit sale agreement " means a contract of sale of goods under which the whole or part of the purchase price is payable by instalments ;

" dispose of " includes the disposal of—

(i) ownership, or any proprietary interest ; or

(ii) the right to possession ; or

(iii) possession, whether or not accompanied by any disposal of ownership or of any proprietary interest or of the right to possession ;

" hire-purchase agreement " means—

(i) in England and Wales and Northern Ireland, an agreement for the bailment of goods under which the bailee may buy the goods or under which the property in the goods will or may pass to the bailee, whether on the performance of any act by the parties to the agreement or any of them or in any other circumstances; and where by virtue of two or more agreements (whether made between the same parties or not), none of which by itself constitutes a hire-purchase agreement, there is a bailment of goods and either the bailee may buy the goods or the property in the goods will or may pass to the bailee (whether on the performance of any act by the parties to the agreement or any of them or in any other circumstances) the agreements shall be treated for the purposes of this Order as a single agreement made at the time when the last of those agreements was made;

(ii) in Scotland, a contract to which section 1 (*a*) of the Hire Purchase and Small Debt (Scotland) Act, 1932(a), applies or would apply if the limitation as to value contained in that section were omitted.

(3) The provisions of Part II of the Second Schedule hereto shall apply for the purpose of determining whether the requirement specified in paragraph 3 of Part I of that Schedule has been complied with.

9. This Order may be cited as the Hire-Purchase and Credit Sale Agreements (Control) Order, 1960, and shall come into operation on the 29th day of April, 1960.

Dated this 27th day of April, 1960.

Reginald Maudling,
President of the Board of Trade.

FIRST SCHEDULE

PART I

GOODS TO WHICH THIS ORDER APPLIES

Column 1 *Description of Goods*	*Column 2* *Minimum percentage of cash price* *Per cent.*	*Column 3* *Maximum period for payment of balance* *Months*
1. Radio receiving sets and television receiving sets (including portable sets and sets designed for use in road vehicles), whether or not assembled and whether or not complete, and parts thereof; television aerials, cathode ray tubes, loud speakers and television conversion units	20	24
2. Gramophones, radio-gramophones, record players and juke boxes, tape recorders and parts thereof	"	"
3. Space heating installations and appliances of a kind designed exclusively or mainly for domestic use, and parts thereof	"	"
4. Appliances and apparatus, whether mechanically operated or not, being appliances or apparatus of a kind designed exclusively or mainly for domestic use, and parts thereof, the following:—		
Dish washers	"	"

(a) 22 & 23 Geo. 5. c. 38.

Column 1 *Description of Goods*	*Column 2* *Minimum percentage of cash price* *Per cent.*	*Column 3* *Maximum period for payment of balance* *Months*
Drying cabinets and drying machines	20	24
Washing machines and washers excluding washing machines and washers which are designed for heating water by electricity or gas but which are not otherwise designed for operation by electricity or gas	"	"
Ironing machines and irons	"	"
Wringers and mangles	"	"
Pressure cookers	"	"
Floor polishers	"	"
Vacuum cleaners	"	"
Water softeners	"	"
Refrigerators having a storage capacity not exceeding 12 cubic feet	"	"
Machines for mixing, extracting and preparation of food and drink	"	"
Electric kettles and other cooking utensils incorporating heating elements, including electric hotplates	"	"
Dry shavers, electrically operated	"	"
Sewing machines	"	"
Knitting machines	"	"
Hair drying machines	"	"
Electric blankets	"	"
Electric generating plant	"	"
5. Photographic cameras and photographic enlargers and lenses therefor, projectors and other photographic equipment not designed specifically for industrial, scientific or commercial use	"	"
6. Binoculars, monoculars and telescopes	"	"
7. Lawnmowers and garden rollers	10	"
8. Clocks and watches	"	"
9. Furniture (including shop and office furniture and fittings, lamp standards, lamp shades and garden furniture) other than furniture of a specialized type unsuitable for domestic use; and floor coverings	"	"
10. Sink units and parts, baths, basins and bathroom fittings	"	"
11. Mattresses and overlays	"	"
12. Sectional sheds and garages and other sectional or prefabricated buildings	"	"
13. Trunks, bags and suitcases	"	"
14. Jewellery and imitation jewellery	"	"
15. Bicycles and tricycles not mechanically propelled	"	"
16. Caravans and trailers	"	"
17. Washing machines and washers which are designed for heating water by electricity or gas but which are not otherwise designed for operation by electricity or gas, including wash boilers and coppers	"	48
18. Cookers, including solid fuel cookers, designed exclusively or mainly for domestic use	"	"
19. Water heating appliances	"	"
20. (*a*) Mechanically propelled road vehicles constructed or adapted for the carriage of passengers or goods, and parts thereof (including chassis), mechanically propelled bicycles and tricycles, and sidecars; excluding:—		

Column 1 *Description of Goods*	*Column 2* *Minimum percentage of cash price* *Per cent.*	*Column 3* *Maximum period for payment of balance* *Months*
(i) vehicles constructed to carry not less than twelve passengers, (ii) vehicles rated by the manufacturers to have a payload capacity of not less than 30 cwt. of goods, (iii) dumpers, and parts thereof (including chassis)	20	24
(*b*) Auxiliary units designed or adapted for the propulsion of bicycles and tricycles	,,	,,
21. Aircraft, including gliders	,,	,,
22. Ships and boats	,,	,,
23. Goods of any description not specified in any other item in this Part comprised in a hire-purchase or credit sale agreement with goods of a description so specified.	The lowest percentage set out in this column in relation to goods, described in any other item, comprised in the agreement.	The longest period set out in this column in relation to goods, described in any other item, comprised in the agreement.

PART II

GOODS (BEING GOODS INCLUDED IN A DESCRIPTION OF GOODS IN PART I OF THIS SCHEDULE) TO WHICH THIS ORDER DOES NOT APPLY UNLESS WITHIN ITEM 23 OF THAT PART.

1. Ambulances.

2. Invalid carriages.

3. Vehicles specially constructed or adapted for disabled people.

4. Vehicles built to a specification designed to comply with the conditions of fitness laid down by the Commissioner of Police of the Metropolis for the purposes of the London Cab Order, 1934(a).

5. Medical, surgical, dental and veterinary appliances, equipment and apparatus.

6. Seagoing ships constructed or adapted for the commercial transportation of goods or passengers, tugs and fishing vessels; and goods disposed of to any person as equipment for such a ship, tug or vessel owned or chartered by him.

7. Aircraft capable of carrying more than ten passengers.

SECOND SCHEDULE

PART I

1. The agreement is in writing.

2. The agreement contains in respect of each description of goods a statement of the cash price of the goods of that description comprised in the agreement and of any amount payable by instalments under the agreement for the installation or maintenance of those goods.

3. Before the agreement was entered into actual payment was made in respect of each description of goods comprised in the agreement of not less than an amount equal to the percentage specified in column 2 of Part I of the First Schedule hereto in relation to that description of goods of the aggregate of—

(a) S.R. & O. 1934/1346 (Rev. XIV, p. 795: 1934 I, p. 1221).

(*a*) the cash price of the goods of that description comprised in the agreement; and

(*b*) any amount payable by instalments under the agreement for the installation or maintenance of the goods of that description comprised in the agreement.

In computing for the purposes of this paragraph the total amount to be paid before any agreement is entered into account may be taken of any allowance for any goods taken in part exchange for goods comprised in that agreement, being an allowance which is reasonable in relation to the value of the goods so taken in part exchange.

4. The agreement provides for the payment of the balance due in respect of each description of goods comprised therein either—

(*a*) by approximately equal instalments at equal intervals spread over a period commencing with the date of the agreement not exceeding that specified in column 3 of Part I of the First Schedule hereto in relation to that description of goods; or

(*b*) in the case of a hire-purchase agreement, by one payment to be made within three months.

PART II

The requirement specified in paragraph 3 of Part I of this Schedule shall be deemed not to be complied with in relation to a hire-purchase or credit sale agreement if, for the purpose of enabling the payment mentioned in that paragraph or any part of that payment to be made, money has been borrowed or otherwise acquired (whether by the person making the payment or by some other person) under or as a result of an agreement or arrangement to which one or more of the following persons are parties, that is to say,—

(*a*) the person disposing of the goods under the hire-purchase or credit sale agreement;

(*b*) a person who has supplied or is to supply those goods to another person with a view to their being disposed of thereunder;

(*c*) the manufacturer of the goods to be disposed of thereunder.

EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport.)

The Order imposes control on the disposal and possession of goods under hire-purchase and credit sale agreements.

The Order relates to the goods described in the First Schedule disposed of or held under agreements entered into after the 28th April, 1960.

The principal requirements of the Order are that—

(*a*) before the signing of any such agreement actual payment shall be made of a minimum deposit; and

(*b*) the agreement shall provide for the payment of the balance within a maximum period.

The Order does not apply to the disposal or possession of goods under certain short-term credit sale agreements where the property in the goods passes unconditionally to the buyer on or before delivery of the goods to him.